
Cabinet Member (Strategic Finance and Resources)

2 December 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

None

Title:

Holiday Purchase Scheme

Is this a key decision?

No

Executive Summary:

To provide the Cabinet Member with information relating to the potential introduction of a Holiday Purchase Scheme, through which employees can purchase up to a defined number of additional days leave dependent upon service delivery requirements.

Recommendations:

The Cabinet Member is asked to:

Approve the introduction of a Holiday Purchase Scheme as set out within the report in order for the organisation to trial the Holiday Purchase scheme in 2014/15. A review of the scheme will take place in January 2015.

List of Appendices included:

None

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Holiday Purchase Scheme

1. Timetable for implementing this decision

The Holiday Purchase Scheme will be opened up to employees on 1 February 2014 for a four week period to enable them to purchase additional annual leave for the 2014/15 leave year.

2. Options considered and recommended proposal

2.1 Explanation of Holiday Purchase

A Holiday Purchase Scheme allows employees to buy additional annual leave and pay for it through deductions from salary over the course of the annual leave year. This makes the purchase of additional annual leave more affordable from the employee's perspective.

Employees can purchase up to a defined number of additional days leave dependent upon service delivery requirements.

As some managerial concerns have been raised about potential impact of additional annual leave upon service delivery, it has been decided, unless there are exceptional circumstances, to restrict the additional annual leave purchase to a maximum of 10 days. All requests will be approved subject to the needs of the service and with an absolute discretion for line managers to refuse requests.

A full review of the scheme will be undertaken in January 2015 and reported back to the Cabinet Member, along with a recommendation as to whether or not retain or amend the scheme.

2.2 Timetable for implementing this decision

The window of opportunity for employees to purchase additional annual leave for 2014/15 will commence on 1 February 2014 for a four week period. Communication to employees of this window of opportunity will take place during the course of January 2014.

3. Comments from Executive Director, Resources

3.1 Financial implications

Operated as a salary sacrifice scheme, employees receive lower pay, and pay reduced National Insurance and if applicable pension contributions. The Council will make corresponding savings on pay, employers' National Insurance and if applicable employers' pension contributions.

Assuming 5% of employees (c260) choose to purchase an additional 5 days annual leave in a single year and taking into account estimated National Insurance savings, it is estimated the Council could contribute savings of c£130k; 10% (c520) would contribute c£260k savings. At this point in time, however, it is difficult to ascertain what savings would come from this initiative.

3.2 Non – Financial

The non-financial benefits of such a scheme for the Council and employees are that it extends flexible working options and the range of benefits available to employees.

3.3 Legal implications

There are no specific legal implications associated with this report.

4. Other implications

4.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The opportunity to buy additional annual will add to the range of benefits available to employees

4.2 How is risk being managed?

No risks identified

4.3 What is the impact on the organisation?

It is important that approval or otherwise of employee requests to buy additional annual leave rests with Service Managers. This will ensure there is no disruption to service provision. The Service Manager's decision will be final.

5. Equalities / EIA

This scheme extends the range of flexible working options and spreads the cost of additional annual leave over a 12 month period, making it more affordable for the employee.

5.1 Implications for (or impact on) the environment

No

5.2 Implications for partner organisations?

None

Report author(s):

Name and job title:

Sue Iannantuoni, Assistant Director (Human Resources)

Directorate:

Resources Directorate

Telephone and Email Contact:

02476832125 - Sue.Iannantuoni@Coventry.Gov.uk

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Neelesh Sutaria	HR Business Partner	Resources	18/11/2013	19/11/2013
Su Symonds	Governance Services Officer	Resources	18/11/2013	18/11/2013
Shokat Lal	Assistant Director Business Services	Resources	18/11/2013	19/11/2013
Names of approvers: (officers and members)				
Finance: Barry Hastie	Assistant Director Finance	Resources	18/11/2013	19/11/2013
Legal: Christine Forde	Assistant Director, Legal and Democratic Services	Resources	20/11/13	22/11/2013
Director: Chris West	Executive Director	Resources	18/11/2013	19/11/2013
Member: Councillor Gannon	Cabinet Member			18/11/2013

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